



**EDUCATION and WORKFORCE DEVELOPMENT CABINET  
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**Helen W. Mountjoy**  
Secretary

April 6, 2009

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Division of Workforce System Support  
Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Avenue, NW, Room S-4231  
Washington, DC 20210

Attention: Janet Sten

**RE: Extension Request to Kentucky's Workforce Investment Act Plan**

Dear Ms. Sten:

Pursuant to TEGL 7-08, dated December 11, 2008, "Instructions for Workforce Investment Act and Wagner-Peyser Act State Planning and Waiver Requests for Year Five of the Strategic Five-Year State Plan (Program Year 2009)," and TEGL 14-08, dated March 18, 2009, "Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009," the Commonwealth of Kentucky is seeking a one-year extension through Program Year 2009, to our current Workforce Investment Act (WIA) and Wagner-Peyser Act State Plan. The existing State Plan extension request includes the continuation of current waivers as well as an option to renegotiate PY 2008 WIA and Wagner-Peyser performance goals for PY 2009.

**Background**

States must have approved State Plans in place to receive formula allotments under WIA. The State Plan and all approved waivers currently in place will expire on June 30, 2009. In order to ensure that all states have the approved State Plan necessary to receive PY 2009 allotments by the beginning of the program year, ETA is asking states to follow a two-step process. First, as originally indicated in TEGL 7-08, ETA asks all states to submit by April 15, 2009, a request to extend into PY 2009 their current State Plan along with proposed levels of performance and a request for current waivers the state wishes to extend. Second, ETA requires all states to submit a State Plan modification describing strategies to respond to the economic downturn and implement the Recovery Act by June 30, 2009. The modification will cover the period of July 1, 2009 through June 30, 2010.

## Extension of Existing Waivers

In order to adequately prepare for and expeditiously respond to President Obama's American Recovery and Reinvestment Act for addressing the country's economic downturn, Kentucky seeks to focus its collective energy by continuing the positive gains afforded with the existing waivers and to begin building an ambitious, forward-reaching plan for renewed growth of the commonwealth's workforce community.

As stated in TEGL 14-08 regarding waivers, Kentucky will not apply two of the waivers, the waiver of the funds transfer limit between the Adult and Dislocated Worker programs, and the waiver to permit the state to use a portion of rapid response funds to conduct incumbent worker training, to the American Recovery and Reinvestment Act funds. However, we request that these waivers continue to apply to other formula funds.

1. **Waiver to permit the commonwealth to replace the performance measures at WIA Section 136(b) with the common measures.** The waiver facilitates system integration and streamlines the reporting process across partner programs.
2. **Waiver to minimize the collection of participant data for incumbent worker training programs.** The waiver reduces the burden of data collection for employers served under WIA-funded incumbent worker training programs.
3. **Waiver to utilize Individual Training Accounts (ITAs) for Older Youth program participants.** The waiver allows for continued flexibility in using Youth funds to provide training services to Youth, while retaining the limited Adult funds to be used for Adult training services. The waiver has increased the efficiency and customer choice for older youth. Additionally, the waiver has enhanced the efficiency and ease in tracking of funds for each funding stream.
4. **Waive the funds transfer limitation at WIA Section 133(b)(4).** The waiver has allowed the commonwealth to approve local area transfer requests up to 100 percent of local area allocations between the WIA Adult and Dislocated Worker programs. The increased flexibility has enabled local workforce investment areas to better serve the needs of their customers and has heightened their ability to respond to changes in the local labor market. (Excludes ARRA funding)
5. **Waiver to extend the period of initial eligibility for training providers on Kentucky's Eligible Training Provider List (ETPL).** The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible.
6. **Waiver to permit the use of ten percent of local area formula funds to provide incumbent worker training.** The waiver has allowed the Commonwealth to encourage and expand the provision of incumbent worker training and has promoted the maximum investment of the local adult and dislocated workers funds. In addition to increased levels of service, the waiver has allowed local workforce investment areas to focus on employers and worker competitiveness through skills upgrade training, therefore, strengthening regional economies.

7. **Waiver to permit the use of up to 20 percent of Rapid Response funds to support incumbent worker training.** The waiver has allowed the Commonwealth to remove barriers to serving businesses and has increased the number of incumbent workers served through WIA. Additionally, the waiver has allowed the Commonwealth to encourage and expand the provision of incumbent worker training. In addition to increased levels of service, the waiver has allowed local workforce investment areas to focus on employers and worker competitiveness through skills upgrade training, therefore, strengthening regional economies. (Excludes ARRA funding)
8. **Waive the required 50 percent employer match for customized training to permit a match based on a sliding scale.** The waiver has created a better opportunity for smaller businesses, or businesses with smaller training budgets, to take advantage of funds available through the WIA program. It also grants optimal flexibility to local areas to better serve businesses and their needs and allows local boards to market demand-driven services.

### Performance Goals

**Request to maintain PY 2008 WIA and Wagner-Peyser performance levels for PY 2009.**

The process of establishing agreed-upon levels of performance for the common measures for the WIA and Wagner-Peyser programs was determined by considering the anticipated economic climate, as well as prior-year performance outcomes. The 12 common measures include three WIA Adult measures, three Dislocated Worker measures, three Youth measures, and three Wagner-Peyser performance measures. After a review of the current and anticipated economic climate, we are requesting the option to renegotiate WIA and Wagner-Peyser performance levels established in Program Year 2008 for the Program Year 2009.

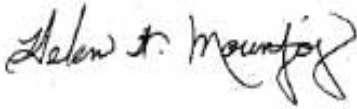
Kentucky PY 2008 Negotiated Performance Rates	
<b>WIA Adult Measures</b>	
Entered Employment Rate	83.5%
Employment Retention Rate	86.0%
Average Six-Month Earnings	\$11,200.00
<b>WIA Dislocated Worker Measures</b>	
Entered Employment Rate	84.0%
Employment Retention Rate	89.0%
Average Six-Month Earnings	\$13,200.00
<b>WIA Youth Measures</b>	
Placement in Employment Rate	65.0%
Attainment of a Degree or Certificate Rate	54.0%
Literacy or Numeracy Gain	48.0%
<b>Wagner-Peyser Act Measures</b>	
Entered Employment Rate	69.0%
Employment Retention Rate	82.0%
Average Six-Month Earnings	\$11,400.00

## Public Comment and Review

The official extension request for the WIA and Wagner-Peyser State Plan for Program Year 2008 to extend through Program Year 2009 was made available for public review and comment on the Education and Workforce Development Cabinet's Web site and the Kentucky Workforce Investment Board's Web site.

Thank you for the opportunity to submit a request to extend Kentucky's current plan and waivers. If you require further information, please do not hesitate to contact Linda Prewitt, Assistant Director, Division of Workforce and Employment Services in the Office of Employment and Training. Ms. Prewitt may be reached at 502-564-7456 or [LindaA.Prewitt@ky.gov](mailto:LindaA.Prewitt@ky.gov).

Sincerely,



Helen W. Mountjoy  
Secretary

cc: Russell Salsman  
Executive Director, OET

Dede Conner  
Director, DWES

Linda Prewitt  
Assistant Director, DWES